

# SUPERMARKET BUSINESS

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PUBLISHER:  
**Jeffrey A. Schaeffer**

EDITOR:  
**Kenneth P. Partch**

EXECUTIVE EDITOR:  
**Carol Fensholt**

MANAGING EDITOR:  
**Edythe Tomlinson**

ASSISTANT EDITOR:  
**Alan Rooks**

PROJECTS EDITOR:  
**Steven Adler**

CONTRIBUTING EDITORS:  
Management: **Daniel J. Bartz**  
Marketing: **Len Daykin**  
Meat: **Kenneth Johnson, John Francis**  
Merchandising: **John Pagliaro**  
Produce: **Barney H. McClure**  
Store Engineering: **Jay Forrester**  
Store Planning: **David Rogers**  
Technology: **Richard Shulman**  
Training: **Donald Stowbridge**

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**Mark Jensen**

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**Virginia Buccell**

ASSISTANT CIRCULATION MANAGER:  
**Allison D. Shalman**

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**Norman Busset**

ADVERTISING SALES:

EAST:  
NORTHEAST REGIONAL SALES MANAGER:  
**Jack Driscoll**

SOUTHEAST REGIONAL SALES MANAGER:  
**Leo Donohoe**  
Fieldmark Media, Inc.  
25 W. 43rd Street, Suite 707  
New York, N.Y. 10036

CHICAGO:  
MIDWEST DIVISION SALES MANAGER:  
**Dave Wishard**

MIDWEST REGIONAL SALES MANAGER:  
**Michael Markovits**  
Fieldmark Media, Inc.  
3530 W. Peterson Ave.  
Chicago, Ill 60659  
312-583-1318

WEST COAST:  
**Sue Marritt**  
Fieldmark Media, Inc.  
15910 Ventura Blvd., Suite 800  
Encino, Calif. 91436  
213-783-5888

CORPORATE STAFF  
FIELDMARK MEDIA, INC.  
25 W. 43rd Street, Suite 707  
New York, N.Y. 10036  
212-354-5169

PRESIDENT:  
**Jeffrey A. Schaeffer**  
ADMINISTRATIVE MANAGER:  
**Catherine Cahill**  
BUSINESS MANAGER:  
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CORPORATE DIRECTOR  
SALES AND MARKETING:  
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**Milling & Baking News**  
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**VBPA** **★** **ABP**



## PAGE 10 FINAST REDEFINES THE WAREHOUSE STORE

A new merchandising concept, the "gourmet food super warehouse store," is here ... in Southington, Conn. By providing brands in depth, service departments, high quality, and low prices in a knockout of a setting, management feels it will own the market even when the newness has worn off.



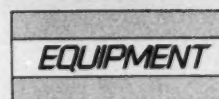
## PAGE 17 FOCUS ON EQUIPMENT: TODAY'S TECHNOLOGY MOVES THE SUPERMARKET INTO A NEW ERA OF OPERATING TECHNIQUES

New breakthroughs in supermarket equipment and software are making this the most exciting time in food industry history. What's ahead is a whole new phase of discipline, control, and potential for supermarkets.



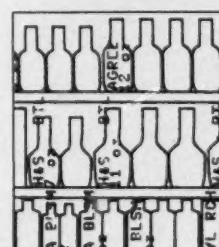
## PAGE 22 VIDEO GAMES: STAR OR WAR IN YOUR STORE?

The chunky bleeper/clangers that charged onto the scene 10 years ago are turning out to be a top hit with supermarkets. The flip side is that, while kids love 'em, some parents and communities don't. Here's how to tread lightly when introducing video games to your customers.



## PAGE 27 STORE PLANNERS' 1982 EQUIPMENT DIRECTORY

Where to find what ... and who makes it.



## PAGE 37 NONFOODS BUSINESS: SHELF SPACE CONTROL COMES OF AGE

Newly announced space management software promises to simplify planogram design. For the first time, prognostic space allocation may be affordable and flexible enough to serve the GM/HBA manager.

## OTHER FEATURES AND COLUMNS

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# TRADESCAN



## Ralphs Flies A Flag for Generics

Sporting generic caps, Ralphs executives prepare to run a generic flag up a generic flagpole outside the chain's Compton, Calif., offices. Why was the flag made up? "Because Ralphs is the generic capital of the world," claims Al Marasca, senior vp marketing. The 102-unit chain has approximately 300 products in its "Plain Wrap" generic line—and even more in the works, says Marasca.

## Mall Recipe Promo Ties In Brands & Supers

MIAMI, FLA. — A multimedia "recipe show," sponsored by major food manufacturers such as General Foods, Pillsbury, and Borden, will travel to 26 shopping malls starting next spring.

Featuring step-by-step preparation of recipes that use a sponsor's product(s), the "Shopping Center Recipe Festival" comprises 60 to 70 (it's too early to tell the final number, the promoter says) TV display monitors in each mall for one weekend.

A special signboard alongside each of the video display units will direct shoppers to supermarkets in the mall's trading area that carry the featured products.

Take-home recipe cards and product coupons will be available in racks below each monitor.

With one recipe per viewing unit on a continuous tape loop for non-stop showing, the Festival is expected to reach approximately 60,000 shoppers per mall on an average weekend, according to Joel Benson, president of Shopping Center Network, the Miami-based marketing firm that cooked up the concept. But in 1984, he promises, "we'll be putting together five different festivals reaching 30 malls each, and we'll be looking at closer promotional tie-ins with supermarkets."



Prototype of one of the recipe viewing booths where mall shoppers will be directed to nearby supermarkets.

## Giant the First Supermarket to Caption Television Spots

LANDOVER, MD. — Giant Food has added closed captioning to its television commercials as a service for hearing impaired customers. Although many national television programs and commercials already use captions, Giant is the first supermarket chain to offer the service.

In the closed caption system, an electronic device attached to a television set decodes a special broadcast signal to reproduce dialogue in captions at the bottom of the television screen. Television sets without the decoder do not receive the captions.

Giant decided to use captioning after finding that a significant number of consumers in its trading area had decoders, says Odonna Mathews, consumer advisor for Giant. "We felt that the service would be in line with others we offer the handicapped," she adds. Giant already had reserved parking and entry ramps for the handicapped, checkouts to accommodate

wheelchairs, and a special TTY (teletypewriter) phone number that allows hearing impaired customers to call Giant's customer service department.

According to The National Captioning Institute, a nonprofit organization, it costs between \$250 and \$300 to add captions to a 30- or 60-second television commercial. For more information, contact Gretchen Sohl, The National Captioning Institute, 5203 Leesburg Pike, Falls River, Va. 22041.

## Hard Times Hurt Merit Raises

NEW YORK, N.Y. — The economic climate is causing many major U.S. companies to revise 1983 budgets to include cuts in merit raises—following slight cuts in 1982—according to a survey by Towers, Perrin, Forster & Crosby, a New York-based management consulting firm.

The survey, which polled 250 Fortune "1000" companies, found that merit raises for food company and supermarket employees dropped to an average of 9.4 percent from an average of 9.7 in 1981. In 1983, however, they will only average 8.8 percent. By comparison, merit raises for all American industry dropped from 9.6 percent in 1981 to 8.6 percent in 1982.

In addition to scaling down raises, many companies are taking other steps — offering early retirement, initiating hiring freezes, and increasing the use of furloughs—to contain payroll costs.

## Data Systems Meeting Set for Capital City

WASHINGTON, D.C. — The 14th National Data Systems Forum and Exhibit gets underway this December 7 at the Capital Hilton in Washington, D.C.

Sponsored by the Transportation Data Coordinating Committee, the two-day forum will focus on the rapidly expanding applications of electronic data interchange (EDI) standards throughout the U.S. business community, including the grocery industry.

Originally focused only on transportation/distribution transactions, the EDI concept is now the base for the grocery industry's Uniform Communication Standards (UCS), the warehousing industry's Warehouse Information Network Standards (WINS) and other similar projects.

This year's forum will feature reports from companies already involved in EDI programs. Sixteen clinics are scheduled to assist companies in the process of converting from paper-based to electronic standards. For more information, contact the Transportation Data Coordinating Committee, 1101 17th St. N.W., Washington, D.C. 20036.

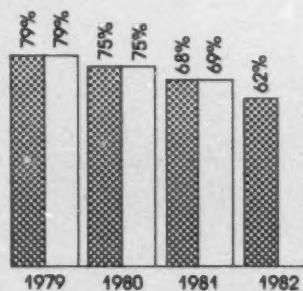
### CHANGING USAGE TRENDS PRINT GROCERY FEATURE ADVERTISING\*

Percent Market Share of All Grocery Ads by Media (Year-End vs Second Quarter)

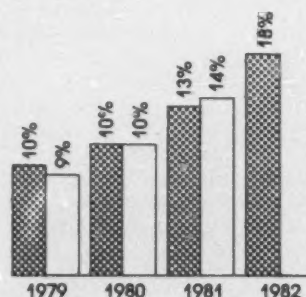
2d Quarter Year End

\*Figures based on best food day ads in top 24 U.S. all commodity volume markets.

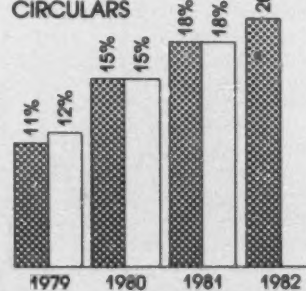
#### NEWSPAPERS



#### SUPPLEMENTS



#### MAILERS/CIRCULARS



SOURCE: The Majors Corporation

## Use of Ad Supplements Is Up 5%

STAMFORD, CONN. — Grocery retailers' use of advertising supplements, mailers, and circulars rose to an all-time high in the second quarter of 1982 while ROP (run-of-press) ads continued to lose market share, reports the Majors Corporation, a Stamford, Conn.-based market research and consulting firm.

Supplements accounted for 18 percent of all grocery advertisements audited in the second quarter of 1982, up five percent over the same quarter in 1981. Mailers and circulars accounted for 20 percent of all ads, up two percent. By contrast, the use of ROP ads was down seven percent to 62 percent of all grocery ads, the lowest measure for ROP ever recorded by Majors.

The trend toward non-ROP ads,

however, is highly skewed regionally. In East Coast and Central states, supplements, mailers and circulars were 59 percent and 44 percent of all grocery ads, respectively, while in the South and West, they accounted for just 22 percent and 17 percent.

"Given the greater population densities in the Eastern and Central states, grocery retailers are trying to target their advertising by segmenting their audience—which non-ROP ads can do," explains Robert Schmitz of Majors. "A supermarket chain in Chicago could distribute 20 different mailers using ZIP code distribution for the same price as three or four pages of ROP advertising. In the West and South, the population density isn't as great, so the broad impact of ROP ads is still more desirable."

# NonFoods BUSINESS

## 2-Month Upswing Shows Some Mixed Signals

Sprays Challenge Sticks, Roll-Ons Do Double-Digit Dip; Back-to-School Checkups Spur Toothbrush/Toothpaste Sales While Mouthwashes Falter

Following a spate of four-week periods that declined steadily—from +5.2 to +2.1 to +.6 to minus one (percents)—HBA food store unit sales began to turn around in August and September: +2.4 percent and +1.7 percent, respectively. A turnaround, but modest; and still too iffy to identify as a trend in either direction.

And in both August and September, more categories recorded gains than losses.

Accompanying the shopper through the HBA aisles, we stop first at baby needs. All four categories in this group moved uphill in August, topped by a six percent increase in nursing supplies, which had been showing increases since July. In September, baby powders shifted downward to 9.2 percent below the year-ago level when Diaperene's new formula was providing strong growth for the brand.

### Sticks still star

As expected, stick deodorants are still star performers in the deodorant product group. What's new is that sprays, however, are enjoying a resurgence in popularity. Sales rose 5.5 percent in August, representing the highest rate of gain since the January 1982 issue, when we first started reporting four-week SAMI trends in HBA. Roll-on deodorants, still on a downward roll, dipped to the first double-digit loss we've seen in this product group.

Next stop for the shopper is hair care needs. This group's gain in August turned into a loss in September. The most important reason for the reversal was hair spray's steep plunge from a gain of 14 percent to a loss of 3.7 percent in September. The August gain was partially due to increased sales as a result of new areas in which Mink Difference was marketed vs. a year ago. By September 27, this brand had been in national distribution both years.

In the smile section, toothpaste returned to the sunny side following a loss in July. Following a loss in unit sales in July, toothbrushes had gains in August

and September. We can probably attribute the toothbrush/toothpaste gains to dentists' urgings at back-to-school checkups.

September mouth wash sales rebounded from a loss in August to a gain in September. Although Warner-Lambert's Listermint is showing strength, breath fresheners in general are running weak in a low-volume category—possibly due to the information released a few months ago that germ killers in mouth washes are not responsible for eliminating bad breath and that antibacterial agents may even prolong the healing of mouth sores and cuts.

The entire proprietary remedies group saw highest gains in several months for both August and September. Consumer need for cold tablets and cough remedies seems to be continuing. Vitamins have suffered losses in nine straight reporting periods, although brands like Centrum, Theredran, Vita Fresh, Your Life, and Myadec are running counter to that loss rate. Eye care products continue on the upswing with increased volume coming from contact lens solutions.

Finally, moving right along with the shopper to skin care aids, we see that all five categories had unit volume increases—propelled by a 10.9 percent for hand and body creams and lotions, and nine percent for suntan lotions and oils. In September, these two were still registering important gains. Hand and body creams and lotions is still benefiting from the increase in distribution for new products, particularly Soft Sense, Vaseline Dermatology Formula, Jergens Aloe Lanolin Lotion, and Raintree. The roll-out of Silkience in the facial preparations didn't contribute enough units to offset the September losses for established brands.

Looking into the crystal ball, it's highly probable that the Tylenol Extra Strength disaster may be reflected in the October reporting period, although the full effects will probably not be evidenced until November. However, with other brands moving speedily to take up the slack, it's an imponderable at this point. □

## HEALTH & BEAUTY AIDS: SAMI FOUR-WEEK FOOD STORE UNIT TRENDS VS. YEAR AGO

| PRODUCT GROUP<br>AND<br>CATEGORY             | % CHANGE VS. YEAR AGO        |                              |                              |
|----------------------------------------------|------------------------------|------------------------------|------------------------------|
|                                              | 4 WEEKS<br>ENDING<br>7/23/82 | 4 WEEKS<br>ENDING<br>8/20/82 | 4 WEEKS<br>ENDING<br>9/17/82 |
| <b>BABY NEEDS</b>                            | - 1.6%                       | + 2.4%                       | ± 0.0%                       |
| BABY POWDERS                                 | -10.3                        | + 0.9                        | - 9.2                        |
| BABY OILS, CREAMS &<br>LOTIONS               | + 0.3                        | + 0.7                        | - 0.8                        |
| INFANT CLOTHES                               | + 0.5                        | + 1.1                        | + 1.4                        |
| NURSING SUPPLIES                             | + 2.8                        | + 6.0                        | + 6.5                        |
| <b>DEODORANTS</b>                            | + 1.3%                       | + 6.4%                       | + 2.4%                       |
| SPRAYS                                       | + 0.2                        | + 5.5                        | + 2.3                        |
| ROLL-ON                                      | - 5.6                        | - 3.1                        | -11.6                        |
| STICK DEODORANTS & PADS                      | +15.5                        | +23.5                        | +21.5                        |
| CREAMS                                       | - 2.7                        | - 0.3                        | - 5.1                        |
| DEODORANTS &<br>TALCUM POWDERS               | -16.6                        | - 3.1                        | + 1.6                        |
| FEMININE HYGIENE<br>DEODORANTS               | -11.7                        | -11.1                        | - 6.0                        |
| FOOT DEODORANTS &<br>ATHLETE'S FOOT REMEDIES | + 1.8                        | + 2.6                        | - 0.9                        |
| <b>FIRST AID</b>                             | - 1.4%                       | + 6.1%                       | + 3.6%                       |
| ANTISEPTICS                                  | - 1.7                        | + 7.5                        | + 1.9                        |
| FIRST AID PRODUCTS                           | - 1.3                        | + 5.6                        | + 4.1                        |
| <b>HAIR CARE NEEDS</b>                       | - 2.7%                       | + 1.6%                       | - 1.1%                       |
| SHAMPOOS                                     | - 5.7                        | - 2.8                        | - 0.3                        |
| HAIR SPRAYS                                  | +11.1                        | +14.0                        | - 3.7                        |
| HAIR CONDITIONING RINSES                     | - 5.1                        | + 6.2                        | + 0.3                        |
| HAIR SETTING NEEDS                           | + 0.6                        | + 4.7                        | +12.3                        |
| HOME PERMANENT KITS                          | +12.4                        | +15.7                        | + 0.6                        |
| HAIR COLORING                                | + 1.5                        | - 2.4                        | - 2.4                        |
| HAIR DRESSING NEEDS                          | - 6.9                        | - 3.0                        | - 6.3                        |
| <b>ORAL HYGIENE</b>                          | - 2.9%                       | + 3.6%                       | + 2.7%                       |
| TOOTHPASTES & POWDERS                        | - 2.5                        | + 6.1                        | + 2.4                        |
| MOUTHWASHES                                  | + 0.5                        | - 2.4                        | + 4.9                        |
| BREATH FRESHENERS                            | -12.9                        | -12.6                        | - 9.2                        |
| DENTURE CLEANERS                             | - 2.6                        | - 4.8                        | - 1.9                        |
| DENTURE ADHESIVES                            | - 0.9                        | - 0.3                        | + 0.9                        |
| TOOTHBRUSHES                                 | - 8.8                        | + 5.1                        | + 4.4                        |
| <b>PROPRIETARY REMEDIES</b>                  | + 0.4%                       | + 1.5%                       | + 3.9%                       |
| ANTACIDS                                     | - 6.1                        | - 4.0                        | + 0.5                        |
| INTERNAL ANALGESICS                          | - 3.3                        | - 1.1                        | - 0.2                        |
| EXTERNAL ANALGESICS                          | + 0.7                        | + 4.6                        | + 2.1                        |
| COLD TABLETS                                 | + 9.8                        | + 8.5                        | + 7.7                        |
| NASAL SPRAYS—DROPS—<br>INHALERS              | - 0.6                        | - 1.6                        | + 2.7                        |
| CHEST RUBS                                   | + 7.0                        | + 1.0                        | + 0.1                        |
| COUGH REMEDIES                               | +17.7                        | +11.0                        | +15.5                        |
| LAXATIVES                                    | + 1.7                        | + 4.1                        | + 4.9                        |
| SLEEPING AIDS                                | + 0.4                        | + 4.2                        | - 1.0                        |
| TRANQUILIZERS                                | -29.6                        | -27.8                        | -26.7                        |
| VITAMINS                                     | - 1.0                        | - 0.3                        | - 2.7                        |
| EYE CARE PRODUCTS                            | + 9.5                        | +14.2                        | +13.8                        |
| <b>SHAVING NEEDS</b>                         | + 2.1%                       | + 1.0%                       | - 2.0%                       |
| SHAVING CREAMS                               | + 3.5                        | + 5.5                        | - 1.4                        |
| PRE-SHAVE LOTIONS                            | - 3.4                        | + 6.6                        | + 0.1                        |
| AFTER-SHAVE LOTIONS                          | + 7.3                        | + 2.8                        | + 0.2                        |
| RAZOR BLADES                                 | + 1.7                        | - 0.3                        | - 2.2                        |
| RAZORS & BLADES                              | -13.3                        | -14.5                        | -11.8                        |
| <b>SKIN CARE AIDS</b>                        | - 2.4%                       | + 4.3%                       | ± 0.0%                       |
| HAND & BODY CREAMS &<br>LOTIONS              | +12.6                        | +10.9                        | + 9.2                        |
| FACIAL PREPARATIONS                          | - 7.7                        | + 0.2                        | - 4.4                        |
| LIP CARE PRODUCTS                            | -11.2                        | + 1.5                        | + 3.0                        |
| SUNTAN LOTIONS & OILS                        | -21.8                        | + 9.0                        | +15.3                        |
| COSMETIC & MEDICATED<br>SKIN AIDS            | - 3.0                        | + 0.6                        | - 7.1                        |
| <b>TOTAL ALL CATEGORIES</b>                  | - 1.0%                       | + 2.8%                       | + 1.7%                       |

# NOTE

ONLY THE FOLLOWING PAGES OF THIS

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